GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1913
ANSWERED ON:09.03.2001
LOAN TO MADHYA PRADESH
PRAHLAD SINGH PATEL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that the World Bank has refused to give a loan of 800 crores of rupees to Madhya Pradesh;

(b) if so, the details thereof alongwith the reasons therefore;

(c) Whether the Madhya Pradesh Government has been unsuccessful in completing various projects including social forestry with the loan given by the World Bank; and

(d) if so, the reaction of the Government thereto?

Answer

Minister of State in the Ministry of Finance (SHRI BALASAHEB VIKHE PATIL)

(a) and (b) No, Sir. A proposal namely `MP Forestry Project Phase-II` with an estimated cost of Rs. 1380 croreshad been posed to the World Bank for assistance on 19.8.1999. The Bank subsequently suggested certain modifications in the project proposal and the revised proposal is now pending with the Administrative Ministry for clearance.

Another Project namely `MP Water Resources Consolidation Project` withan estimated cost of Rs. 442 Croreswas posed to the World Bank on 7.3.2000. The World Bank initially expressed inability to consider the project due to heavy commitment in the Water Sector over the next two/three year. Subsequently, in October, 2000, the World Bank has indicated possibility of financing this project alongwith ADB.

(c) and (d) No, Sir. The`MP Forestry Project` was signed on 11.4.1995 for an IDA Credit of US$ 58 million.The project was implemented successfully and had closed on 31.12.1999. The Implementation Completion Report of the Bank has also rated the Project as `satisfactory`.